

CENTRAL INTELLIGENCE AGENCY  
OFFICE OF NATIONAL ESTIMATES

25 January 1961

MEMORANDUM FOR THE DIRECTOR

SUBJECT: The Royal Coup in Nepal\*

1. King Mahendra's 15 December ouster and arrest of B. P. Koirala and the members of his Nepali Congress government is likely to result in a return to the chronic political instability which characterized Nepal before the country's first national elections in 1959. Mahendra's action probably was basically due to his fear that the popular Koirala would, if he remained in office long enough, threatened the King's position as the dominant force in Nepal. Thus the "palace clique," composed mainly of feudal landowners who feared the Nepali Congress land reform schemes, was able to play upon the fears of the King that he must move against the Nepali Congress or lose his dominant role.

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\* This memo has been discussed with OCI and DDP

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2. While Mahendra has become increasingly disillusioned with parliamentary democracy as a system of government for Nepal, he does want to modernize the country provided such modernization does not threaten his position. He has often voiced his admiration for the Ayub regime in Pakistan as a model for Nepal, and may try to imitate it. Unfortunately, Mahendra is no Ayub. An ineffective leader and poor administrator, Mahendra has only limited knowledge of political and economic matters. The five members of the council of ministers he has thus far named to assist him are distinctly second-rate,



3. Barring his assassination, Mahendra's apparent control of the 10,000 man army and his status as a Hindu deity among the people probably will enable him to maintain his control in the short run. (It should be added, however, that our knowledge of the attitudes of Nepalese army leaders is practically nil, and if they do not remain loyal to the King, he will have virtually no chance of remaining in power.) Unless he is able to broaden the popular base of his government and obtain the support of more capable ministers, moreover, political unrest and economic

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deterioration are likely. He may attempt to utilize the leaders of the conservative Gurkha Parishad -- the principal opposition party -- but even if the Gurkha Parishad leaders were willing to cooperate they have only limited popular appeal. In any case Mahendra's basic problem will continue to plague him, i.e., the need to give his ministers adequate power to enable them to govern satisfactorily without allowing them to achieve a position which would threaten his control.

4. A key factor in the length of time the King can maintain his position will be the role played by Subarna Shumshere, the former Deputy Prime Minister and a leader of the Nepali Congress Party. The generally respected and politically moderate Subarna had an audience with the King on 14 December, and then made an unscheduled journey to Calcutta. This has led to rumors that he knew of -- or even favored -- the King's action, and that in due time he would be appointed by the King to head a new government. If Subarna became a King's man he probably could split the Nepali Congress and thus considerably strengthen the position of the King.

5. However, it seems more likely that Subarna is, as he claims, opposed to the King's action. Subarna apparently fears -- and with good reason -- that if the Nepali Congress does not take the lead

in opposing the King, the small but growing Communist Party of Nepal would greatly enhance their long-term prospects. (The Nepalese Communists apparently see the present situation as a golden opportunity rapidly to expand their influence, and have decided to set up a resistance to agitate against the King.) Subarna plans to organize a Nepali Congress movement to carry out political agitation against the King -- reportedly with the covert assistance of the Indian Government. His opposition to the King considerably reduces the latter's prospects for maintaining himself in power beyond a year or two. If, as seems likely, the Nepali Congress ultimately emerges on top in its struggle with Mahendra, it is unlikely, in view of the King's recent action, to allow him to remain as more than a figurehead if at all.

6. Mahendra is convinced that a neutralist foreign policy is the only feasible one for Nepal. He will attempt to follow a policy of nonalignment with both the Sino-Soviet Bloc and the West, but his lack of sophistication may result in less realism in Nepal's dealings with the Bloc. For example, fear of offending the Bloc apparently has already led him to refrain from arresting any Communist leaders despite his claims to US officials that

concern over growing Communist activities within Nepal was a major reason for his removal of Koirala. On the whole, Mahendra has in the past been in general accord with Koirala on foreign policy as regards the West and the Bloc -- though they sometimes differed on specific issues -- and the King is unlikely to carry out any basic shifts in this policy unless he becomes convinced that one side or the other is seeking to undermine his position.

7. The most likely change in Nepal's foreign policy will be a cooler relationship with India. Mahendra's suspicion of India has probably been heightened by Nehru's thinly veiled criticism of the ouster of the Indian-oriented Nepali Congress. India's policy in Nepal has long been aimed at encouraging the emergence of a popularly-based, progressive government as providing the best insurance against Communist influence. Therefore India is likely to be willing to devote considerable effort to helping the Nepali Congress return to power, although it will try, at least for the next few months, to do this covertly so as to remain on satisfactory terms with Mahendra. While the King is aware that Nepal's geographic position requires cooperation with India, if he comes to believe that India is actively aiding the Nepali Congress he may move closer to Communist China. China's

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Ambassador reportedly extended his government's congratulations to Mahendra shortly after Koirala's ouster in an apparent effort to take advantage of the King's suspicions of India and lack of sophistication in international affairs. In view of India's great and growing concern over the security of its Himalayan defense perimeter -- which Nehru has publicly stated runs along Nepal's northern border -- greater Nepalese reliance on Communist China could lead India to move rapidly to bring about the return of the Nepali Congress to power despite the dangers such action could involve.

FOR THE BOARD OF NATIONAL ESTIMATES



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SHERMAN KENT  
Chairman

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# ROUTING AND RECORD SHEET

SUBJECT: (Optional)

~~SECRET - EMB ONLY~~

FROM:

DDP/EBM

NO.

DATE

3 Mar 61

TO: (Officer designation, room number, and building)

DATE

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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Please note attached. I have also sent it to NE/DDP, with the suggestion that the DCI would appreciate some comments on this, in coordination with your office.

T. A. Parrott

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